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Legal charity shouldn't be scrapped

By Steve Melton

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I feel guilty when I think about the table scraps we throw away that could feed less fortunate people. If only there were a way to collect all the scraps from all the dinner tables in America, no one would ever go hungry.

A little-known charity actually has figured out how to save what I call legal table scraps to help thousands of poor people throughout the nation. It's called IOLTA, which stands for Interest On Lawyer Trust Accounts. Here's how it works. You need to see a lawyer. After talking with him, he asks you for money to pay filing fees and other future expenses of representing you. You write him a check.

By law, he is required to do one of two things with your money. If it is a lot of money, the lawyer will open a separate bank account for you. If it is a small sum, say \$1,000, and the legal work should be finished quickly, say within one month, investing that \$1,000 at 1 percent (current rates) for one year would bring \$10, or 83 cents for one month.

You probably want your 83 cents. Unfortunately, bank fees on the account probably will be much more than that, and doing the work to set up a separate account to pay interest to you costs your attorney money, maybe \$20 or more after employee time is charged. Would you want that 83 cents interest if you had to pay more than \$20 for it?

More importantly, when your \$1,000 is combined in an IOLTA account with scores of other small amounts from other clients handled by that same attorney, the sum may generate enough interest to pay for account costs and still have money left over. That leftover money is then sent to a legal charity to help provide legal assistance to the poor, to fight child abuse, to educate our children about government, etc.

You would think that everybody would be thankful for IOLTA. An activist group of lawyers in Washington, however, is trying to kill it. They want you to believe that IOLTA takes your money illegally. Last December, the Supreme Court of the United States heard oral arguments in a lawsuit attacking IOLTA. As a conservative Georgia banker, I must speak out and let people know that IOLTA is a wonderful charity that helps us all and hurts no one.

The Washington Legal Foundation says that sending the 83 cents to help the poor is the equivalent of stealing 83 cents from you. As a banker, I often do an analysis to see what an investment is worth. Because the cost of giving it to you is greater than what you would receive, you are owed nothing. So, there is no unconstitutional taking, and IOLTA is perfectly legal.

Lawyer clients cannot be helped by killing IOLTA. In that event we bankers will just keep more money. Before IOLTA, we kept that money, and, if IOLTA dies, we will keep it again.

You may wonder why I don't stay quiet and hope that they kill IOLTA. I have seen what IOLTA has done for Georgia. It's incredible. In the 16 years since IOLTA began here, those table scraps have generated more than \$51 million. Almost \$17 million of that has funded criminal indigent defense, \$16 million has helped poor people who need civil legal assistance and more than \$3.5 million has gone to programs helping Georgia's children.

In another 16 years, I expect to see an additional \$75 million or more to help needy Georgians.

Some people do not like the fact that IOLTA money supports public- interest lawyers. Because of recent federal restrictions on these lawyers, however, inappropriate lawsuits are almost impossible now.

Only by assuring that others are treated fairly can we be sure that we are treated fairly. Isn't that what America is all about? I'm proud to be a banker who supports IOLTA. Without costing anyone a penny, IOLTA is a way to put those legal table scraps to good use. It is good for the poor, for lawyers' clients, for lawyers, for bankers and for all Americans.

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